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FCC Mail Room

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San Francisco, CA 94132

Dear Chairman Genachowski,

I am writing you today to express my *grave concern* regarding the matter of acquisition of T-Mobile by ATT. I know that you are a very busy person and have many other important and pressing matters, but I believe that the above-mentioned acquisition is *of great importance* to the American people and economy as well.

You know very well that one reason why our economy is so big and strong is due to our unshakable belief in fundamental principles of free market economy and its core principal of *free and fair competition* – that is why almost all goods and services here in the US are cheaper than in other OECD countries – *we have competition!* You know that competition brings down prices and raises quality, while, at the same time, keeping all manufacturers on their toes to produce even better and even cheaper goods. If you have recently travelled to Europe or Russia, you might have noticed that cell phone service in those countries is nowhere near in quality or price to what we have here in the US, because those countries don't have the regulations in place, which would guarantee free and fair competition.

If no action is taken and if Department of Justice and FCC do approve the above-mentioned acquisition, the competition in the cellular communications industry in the US will cease to exist, leaving only two big monsters in its wake: ATT and Verizon, and since they use different technologies (ATT = GSM, Verizon = CDMA), de facto, they will become monopolies; the prices of everything connected with cell phones will go up, while the quality will deteriorate over time, because neither of the companies will have *any incentive* to spend any additional penny (from their corporate profits) to keep and improve existing infrastructure. If T-Mobile goes, Sprint will not be able to withstand the pressure from ATT and Verizon and will very soon crumble, leaving the people of this great country with virtually no choice or, more importantly, no SAY and INFLUENCE on the quality and prices of the cellular communications and devices. We all will become victims of two huge monopolies, who will not hesitate to bully us in every way imaginable in order to squeeze as much money from us as possible.

I have been a T-Mobile customer for more than 8 years by now; in fact, T-Mobile was my first and only cellular communications provider, and do you know why? Because for all those years T-Mobile provided me with stellar and unmatched customer service and call quality. For all those 8 years T-Mobile was, by a large margin, cheaper than any other nationwide provider, yet it was able to maintain the lowest prices, the highest level of customer service, excellent call quality and unmatched technological performance, as is evident from many J.D. Power awards for the best customer service, which T-Mobile won for many years in row.

If ATT does acquire T-Mobile, what we will get is more ATT. Ever since Cingular Wireless (later bought by ATT) came into existence, its call quality was anywhere from bad to horrible (as was Sprint's). ATT's customer service wasn't any better either. Traditionally, the prices of ATT match those of Verizon and we know that Verizon is the most expensive (without any foundation as to why) wireless cellular service in the US and has always been so. The prices of both ATT and Verizon have always been much higher than those of T-Mobile and still are today (just check their respective websites), yet the service those companies provide to their customers is usually worse than that of T-Mobile. I have many friends, who, for various reasons, over the years, decided to go with ATT and Verizon, and for all those years they complained to me about the horrible call quality, ridiculous customer service or simply the excessive charging done by those companies.

And lastly, a few words about the details of the acquisition itself. Recently, I have read an article about the above-mentioned acquisition (copy attached to this letter), which summarizes many of the wrongs and ills of letting this deal to go through. While ATT can say whatever it wants about its

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"motivations" with regards to the deal, we all know that the real reasons are quite simple: **ELIMINATE THE COMPETITION!!! CUT THE STAFF!!! MAKE MORE MONEY!!!** As far as I know, all companies do acquisitions for primarily those reasons (with few exceptions when it comes to acquisition of new technologies, patents, copyrights or simply – investments) hence, whatever ATT says in its defense is simply a lie.

As you can see from the article, in reality, not only the acquisition will not add any jobs, in fact, **it will cut a tremendous number of jobs by eliminating all the duplicating jobs, retail locations, independent retailers and much more. ATT doesn't have a single good reason to acquire T-Mobile, except to eliminate the competition!**

Please do everything in your power to keep the competition alive in the American economy! Acquisition of T-Mobile by ATT will be an *enormous mistake* and a *huge setback* not only to the wireless communications industry, but to the *heart of American economy* itself.

**I DON'T WANT MONOPOLIES!!!
I DON'T WANT HORRIBLE CUSTOMER SERVICE AND NONEXISTENT CALL QUALITY!!!
I DON'T WANT HIGH PRICES, ESPECIALLY FOR BAD SERVICE!!!**

Please, keep T-Mobile alive, and with it free and fair competition, low and affordable prices and excellent service at those prices. For the last 8 years, NO COMPANY came even close to provide such excellent service at those very affordable prices as T-Mobile.

Thank you.

Sincerely yours,

Artak Karapetyan

A.K.



REDACTED

The attached letter was filed by AT&T Inc. with a request for confidentiality pursuant to the protective orders in WT Docket No. 11-65 and has been redacted from the public version of this filing by F.C.C. staff. See *generally* 47 C.F.R. sec. 0.459.



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Leaked AT&T Letter Demolishes Case For T-Mobile Merger Lawyer Accidentally Decimates AT&T's #1 Talking Point



by Karl Bode Friday 12-Aug-2011 tags: coverage
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Yesterday a [partially-redacted document](#) (pdf) briefly appeared on the FCC website –accidentally posted by a law firm working for AT&T on the \$39 billion T-Mobile deal (somewhere there's a paralegal looking for work today). While AT&T engaged in damage control telling reporters that the document contained no new information – our review of the doc shows that's simply not true. Data in the letter undermines AT&T's primary justification for the massive deal, while highlighting how AT&T is willing to pay a huge premium simply to reduce competition and keep T-Mobile out of Sprint's hands.

We've previously [discussed](#) how AT&T's claims of job gains and network investment gained by the deal aren't true, with overall network investment actually being reduced with the elimination of T-Mobile. While AT&T and the CWA are busy telling regulators the deal will increase network investment by \$8 billion, out of the other side of their mouth AT&T has been telling investors the deal will reduce investment by \$10 billion over 6 years. Based on historical averages T-Mobile would have invested \$18 billion during that time frame, which means an overall reduction in investment.

Yet to get the deal approved, AT&T's key talking point to regulators and the press has been the claim that they need T-Mobile to increase LTE network coverage from 80% to 97% of the population. Except it has grown increasingly clear that AT&T doesn't need T-Mobile to accomplish much of anything, and likely would have arrived at 97% simply to keep pace with Verizon. AT&T, who has fewer customers and more spectrum than Verizon (or any other company for that matter), has all the resources and spectrum they need for uniform LTE coverage without this deal.

For the first time the letter pegs the cost of bringing AT&T's LTE coverage from 80% to 97% at \$3.8 billion – quite a cost difference from the \$39 billion price tag on the T-Mobile deal. The push for 97% coverage apparently came from AT&T marketing, who was well aware that leaving LTE investment at 80% would leave them at a competitive disadvantage to Verizon. Marketing likely didn't want a repeat of the [Luke Wilson map fiasco](#) of a few years back, when Verizon made AT&T look foolish for poor 3G coverage.



The letter also notes that AT&T's supposed decision to "not" build out LTE to 97% was cemented during the first week of January, yet [public documents](#) (pdf) indicate that at the same time AT&T was already considering buying T-Mobile, having proposed the deal to Deutsche Telekom on January 15. In the letter, AT&T tries to make it seem like the decision to hold off on that 17% LTE expansion was based on costs. Yet the fact the company was willing to shell out \$39 billion one week later, combined with AT&T's track record with these kinds of tactics, suggests AT&T executives knew that 80-97% expansion promise would be a useful carrot on a stick for politicians.

While the \$39 billion price certainly delivers AT&T customers, equipment, employees, and spectrum, most of T-Mobile's network replicates AT&T's existing resources in major markets, and T-Mobile's network is significantly less robust in rural markets where AT&T would want to expand. While the deal provides AT&T with a shortcut to sluggish tower builds in a few select markets, by and large AT&T will be faced with terminating many redundant positions and decommissioning a lot of duplicative equipment. They'll also have to close a large number of retail operations and independent retailers.

Again, the reality appears to be that AT&T is giving Deutsche Telekom \$39 billion primarily to reduce market competition. That price tag eliminates T-Mobile entirely – and makes Sprint (and by proxy new LTE partner LightSquared and current partner Clearwire) more susceptible to failure in the face of 80% AT&T/Verizon market domination. How much do you think wireless broadband market dominance is worth to AT&T over the next decade? After all, AT&T will be first to tell you there's a wireless data "tsunami" coming, with AT&T and Verizon on the shore eagerly billing users up to \$10 per gigabyte.

Regardless of the motivation behind rejecting 97% LTE deployment, the letter proves AT&T's claim they need T-Mobile to improve LTE coverage from 80-97% simply isn't true. That's a huge problem for AT&T, since nearly every politician and non-profit that has voiced support for the merger did so based largely on this buildout promise. It's also a problem when it comes to the DOJ review, since proof that AT&T could complete their LTE build for far less than the cost of this deal means the deal doesn't meet the DOJ's standard for merger-specific benefits.

Update: We've included the document above after numerous requests. We'll also note that AT&T is telling news organizations like PC Magazine that this doc was "consistent with prior filings," which simply isn't true. The document, again, highlights for the first time that AT&T clearly doesn't need T-Mobile to deliver LTE to 97% of the population.

Update 2: AT&T's response to the fact their lawyer accidentally posted a document that indicates AT&T has been lying? Apparently it's to lie about it.

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